

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



7M2

April 20, 2007

Advice Letter 3722

Mr. Sid Newsom
Regulatory Tariff Administration
Southern California Gas Company – GT14D6
555 West Fifth Street
Los Angeles, CA 90013-4957

Subject: March 2007 Cross-Over Rate

Dear Mr. Newsom:

Advice Letter 3722 is effective March 10, 2007. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division





J. Steve Rahon

Director

Tariffs & Regulatory Accounts

8330 Century Park Court CP32C

San Diego, CA 92123-1548

Tel: 858.654.1773

Fax: 858.654.1788

srahon@SempraUtilities.com

March 7, 2007

Advice No. 3722

(U 904 G)

Public Utilities Commission of the State of California

Subject: Cross-Over Rate for March 2007

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

This routine monthly filing revises the listed tariff rate schedules showing the Cross-Over Rate for applicable residential and core commercial and industrial customers for March 2007, as authorized by the California Public Utilities Commission's (Commission) approval of SoCalGas' Advice No. (AL) 3188-A on September 4, 2003, by Resolution G-3351. AL 3188-A was filed pursuant to Commission Decision (D.) 02-08-065 issued on August 22, 2002, authorizing SoCalGas to implement revised uniform rules for noncore customers requesting core service, and core customers with an annual consumption over 50,000 therms who elect to switch from a Core Aggregation Transportation (CAT) marketer to utility procurement service.

Background

The Cross-Over Rate, as set forth in Schedule No. G-CP will be the higher of 1) the posted monthly core procurement rate or 2) an Adjusted California Border Price. The Border Price adjustment will reflect the fact that interstate transportation costs are included in the core transportation rate, as opposed to the core procurement rate, and therefore must be removed from the Border Price in order to make for a proper comparison (and to avoid charging cross-over customers twice for interstate transportation). Similarly, the core procurement rate does not include intrastate backbone costs which are also a component of the core transportation rate.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

This Cross-Over Rate will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except the following customers: a) noncore customers who have been served under Schedule No. G-CS since January 1, 2001, or b) noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The Cross-Over Rate will be filed on or before the 9th calendar day of each month, to be effective the 10th calendar day of each month.

Requested Rate Revision

The Cross-Over Rate for March 2007 is 73.734 cents per therm, which is the same as the Core Procurement rate as filed by AL 3720 on February 28, 2007. The workpaper showing the calculation of the Cross-Over Rate is incorporated herein as Attachment C.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Maria Salinas (mas@cpuc.ca.gov) and Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: snewsom@SempraUtilities.com

Effective Date

In compliance with Advice No. 3188-A, approved on September 4, 2003 by Resolution G-3351, the tariff sheets filed herein are to be effective for service on and after March 10, 2007.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A.

J. STEVE RAHON
Director
Tariffs and Regulatory Accounts

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY/ U 904 G**

Utility type: _____

Contact Person: Connie Christensen

ELC

GAS

Phone #: (213) 244-3837

PLC

HEAT

WATER

E-mail: cchristensen@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3722

Subject of AL: March 2007 Cross-Over Rate

Keywords (choose from CPUC listing): Preliminary Statement; Procurement

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

G-3351

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

Summarize differences between the AL and the prior withdrawn or rejected AL¹:

Resolution Required? Yes No

Requested effective date: March 10, 2007

No. of tariff sheets: 22

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: PS II, GR, GS, GM, GML, G-NGVR, G-10, G-AC, G-EN, G-NGV, G-CP & TOCs

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets: 3708, 3711, 3720

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Avenue

San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West Fifth Street, ML GT14D6

Los Angeles, CA 90013-4957

snewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3722

(See Attached Service List)

Aglet Consumer Alliance
James Weil
jweil@aglet.org

Alcantar & Kahl
Elizabeth Westby
egw@a-klaw.com

Alcantar & Kahl
Kari Harteloo
klc@a-klaw.com

Ancillary Services Coalition
Jo Maxwell
jomaxwell@ascoalition.com

Ancillary Services Coalition
Terry Rich
TRich@ascoalition.com

BP Amoco, Reg. Affairs
Marianne Jones
501 West Lake Park Blvd.
Houston, TX 77079

Barkovich & Yap
Catherine E. Yap
ceyap@earthlink.net

Beta Consulting
John Burkholder
burkee@cts.com

CPUC
Consumer Affairs Branch
505 Van Ness Ave., #2003
San Francisco, CA 94102

CPUC
Pearlie Sabino
pzs@cpuc.ca.gov

CPUC
Energy Rate Design & Econ.
505 Van Ness Ave., Rm. 4002
San Francisco, CA 94102

CPUC - DRA
Galen Dunham
gsd@cpuc.ca.gov

CPUC - DRA
R. Mark Pocta
rmp@cpuc.ca.gov

CPUC - DRA
Jacqueline Greig
jnm@cpuc.ca.gov

California Energy Market
Lulu Weinzimer
luluw@newsdata.com

Calpine Corp
Avis Clark
aclark@calpine.com

City of Anaheim
Ben Nakayama
Public Utilities Dept.
P. O. Box 3222
Anaheim, CA 92803

City of Azusa
Light & Power Dept.
215 E. Foothill Blvd.
Azusa, CA 91702

City of Banning
Paul Toor
P. O. Box 998
Banning, CA 92220

City of Burbank
Fred Fletcher/Ronald Davis
164 West Magnolia Blvd., Box 631
Burbank, CA 91503-0631

City of Colton
Thomas K. Clarke
650 N. La Cadena Drive
Colton, CA 92324

City of Long Beach, Gas & Oil Dept.
Chris Garner
2400 East Spring Street
Long Beach, CA 90806

City of Los Angeles
City Attorney
200 North Main Street, 800
Los Angeles, CA 90012

City of Pasadena - Water and Power
Dept.
Robert Sherick
rsherick@cityofpasadena.net

City of Riverside
Joanne Snowden
jsnowden@riversideca.gov

City of Vernon
Daniel Garcia
dgarcia@ci.vernon.ca.us

Commerce Energy
Brian Patrick
BPatrick@commerceenergy.com

Commerce Energy
Lynelle Lund
llund@commerceenergy.com

Commerce Energy
Tony Cusati
TCusati@commerceenergy.com

Commerce Energy
Glenn Kinser
gkinser@commerceenergy.com

County of Los Angeles
 Stephen Crouch
 1100 N. Eastern Ave., Room 300
 Los Angeles, CA 90063

DGS
 Henry Nanjo
 Henry.Nanjo@dgs.ca.gov

Dept. of General Services
 Celia Torres
 celia.torres@dgs.ca.gov

Downey, Brand, Seymour & Rohwer
 Ann Trowbridge
 atrowbridge@downeybrand.com

Gas Purchasing
 BC Gas Utility Ltd.
 16705 Fraser Highway
 Surrey, British Columbia, V3S 2X7

Goodin, MacBride, Squeri, Ritchie &
 Day, LLP
 J. H. Patrick
 hpatrick@gmssr.com

Imperial Irrigation District
 K. S. Noller
 P. O. Box 937
 Imperial, CA 92251

Kern River Gas Transmission Company
 Janie Nielsen
 Janie.Nielsen@KernRiverGas.com

LS Power (took over Duke Energy)
 A Hartmann
 AHartmann@LSPower.com

Luce, Forward, Hamilton & Scripps
 John Leslie
 jleslie@luce.com

Crossborder Energy
 Tom Beach
 tomb@crossborderenergy.com

Davis Wright Tremaine, LLP
 Edward W. O'Neill
 One Embarcadero Center, #600
 San Francisco, CA 94111-3834

Douglass & Liddell
 Dan Douglass
 douglass@energyattorney.com

Downey, Brand, Seymour & Rohwer
 Dan Carroll
 dcarroll@downeybrand.com

Gas Transmission Northwest
 Corporation
 Bevin Hong
 Bevin_Hong@transcanada.com

Goodin, MacBride, Squeri, Ritchie &
 Day, LLP
 James D. Squeri
 jsqueri@gmssr.com

JBS Energy
 Jeff Nahigian
 jeff@jbsenergy.com

LADWP
 Nevenka Ubavich
 nevenka.ubavich@ladwp.com

Law Offices of Diane I. Fellman
 Diane Fellman
 diane_fellman@fpl.com

MRW & Associates
 Robert Weisenmiller
 mrw@mrwassoc.com

Culver City Utilities
 Heustace Lewis
 Heustace.Lewis@culvercity.org

Davis, Wright, Tremaine
 Judy Pau
 judypau@dwt.com

Douglass & Liddell
 Donald C. Liddell
 liddell@energyattorney.com

Dynegy
 Joseph M. Paul
 jmpa@dynegy.com

General Services Administration
 Facilities Management (9PM-FT)
 450 Golden Gate Ave.
 San Francisco, CA 94102-3611

Hanna & Morton
 Norman A. Pedersen, Esq.
 npedersen@hanmor.com

Jeffer, Mangels, Butler & Marmaro
 2 Embarcadero Center, 5th Floor
 San Francisco, CA 94111

LADWP
 Randy Howard
 P. O. Box 51111, Rm. 956
 Los Angeles, CA 90051-0100

Law Offices of William H. Booth
 William Booth
 wbooth@booth-law.com

Manatt Phelps Phillips
 Randy Keen
 rkeen@manatt.com

Manatt, Phelps & Phillips, LLP
 David Huard
 dhuard@manatt.com

March Joint Powers Authority
 Lori Stone
 PO Box 7480,
 Moreno Valley, CA 92552

Matthew Brady & Associates
 Matthew Brady
 matt@bradylawus.com

Julie Morris
 Julie.Morris@PPMEnergy.com

National Utility Service, Inc.
 Jim Boyle
 One Maynard Drive, P. O. Box 712
 Park Ridge, NJ 07656-0712

PG&E Tariffs
 Pacific Gas and Electric
 PGETariffs@pge.com

Pacific Gas & Electric Co.
 John Clarke
 jpc2@pge.com

Praxair Inc
 Rick Noger
 rick_noger@praxair.com

Questar Southern Trails
 Lenard Wright
 Lenard.Wright@Questar.com

R. W. Beck, Inc.
 Catherine Elder
 celder@rwbeck.com

Regulatory & Cogen Services, Inc.
 Donald W. Schoenbeck
 900 Washington Street, #780
 Vancouver, WA 98660

Richard Hairston & Co.
 Richard Hairston
 hairstonco@aol.com

Sierra Pacific Company
 Christopher A. Hilten
 chilen@sppc.com

Southern California Edison Co
 Fileroom Supervisor
 2244 Walnut Grove Ave., Rm 290, GO1
 Rosemead, CA 91770

Southern California Edison Co
 Karyn Gansecki
 601 Van Ness Ave., #2040
 San Francisco, CA 94102

Southern California Edison Co.
 Colin E. Cushnie
 Colin.Cushnie@SCE.com

Southern California Edison Co.
 Kevin Cini
 Kevin.Cini@SCE.com

Southern California Edison Co.
 John Quinlan
 john.quinlan@sce.com

Southern California Edison Company
 Michael Alexander
 Michael.Alexander@sce.com

Southwest Gas Corp.
 John Hester
 P. O. Box 98510
 Las Vegas, NV 89193-8510

Suburban Water System
 Bob Kelly
 1211 E. Center Court Drive
 Covina, CA 91724

Sutherland, Asbill & Brennan
 Keith McCrea
 kmccrea@sablaw.com

TURN
 Marcel Hawiger
 marcel@turn.org

TURN
 Mike Florio
 mflorio@turn.org

The Mehle Law Firm PLLC
 Colette B. Mehle
 cmehle@mehlelaw.com

Western Manufactured Housing
 Communities Assoc.
 Sheila Day
 sheila@wma.org

ATTACHMENT B
Advice No. 3722

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 41722-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 1	Revised 41680-G
Revised 41723-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 2	Revised 41681-G
Revised 41724-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 3	Revised 41682-G
Revised 41725-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 4	Revised 41683-G
Revised 41726-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 41684-G
Revised 41727-G	Schedule No. GR, RESIDENTIAL SERVICE, (Includes GR, GR-C, GT-R, GRL and GT-RL Rates), Sheet 1	Revised 41687-G
Revised 41728-G	Schedule No. GS, SUBMETERED MULTI- FAMILY SERVICE, (Includes GS, GS-C, GT-S, GSL, GSL-C and GT-SL Rates), Sheet 2	Revised 41689-G
Revised 41729-G	Schedule No. GM, MULTI-FAMILY SERVICE, (Includes GM-E, GM-C, GM-EC, GM-CC, GT- ME, GT-MC and all GMB Rates), Sheet 2	Revised 41690-G
Revised 41730-G	Schedule No. GM, MULTI-FAMILY SERVICE, (Includes GM-E, GM-C, GM-EC, GM-CC, GT- ME, GT-MC and all GMB Rates), Sheet 3	Revised 41691-G
Revised 41731-G	Schedule No. GML, MULTI-FAMILY SERVICE, INCOME QUALIFIED, (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates), Sheet 2	Revised 41692-G
Revised 41732-G	Schedule No. GML, MULTI-FAMILY SERVICE, INCOME QUALIFIED, (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates), Sheet 3	Revised 41693-G
Revised 41733-G	Schedule No. G-NGVR, NATURAL GAS SERVICE FOR HOME REFUELING OF MOTOR VEHICLES, (Includes G-NGVR, G- NGVRC, GT-NGVR, G-NGVRL and GT- NGVRL Rates), Sheet 1	Revised 41697-G
Revised 41734-G	Schedule No. G-10, CORE COMMERCIAL AND INDUSTRIAL SERVICE, (Includes GN-	Revised 41700-G

ATTACHMENT B
Advice No. 3722

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 41735-G	10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates), Sheet 2 Schedule No. G-10, CORE COMMERCIAL AND INDUSTRIAL SERVICE, (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates), Sheet 3	Revised 41701-G
Revised 41736-G	Schedule No. G-AC, CORE AIR CONDITIONING SERVICE, FOR COMMERCIAL AND INDUSTRIAL, Sheet 2	Revised 41703-G
Revised 41737-G	Schedule No. G-EN, CORE GAS ENGINE SERVICE, FOR WATER PUMPING, Sheet 2	Revised 41705-G
Revised 41738-G	Schedule No. G-NGV, NATURAL GAS SERVICE FOR MOTOR VEHICLES, Sheet 2	Revised 41706-G
Revised 41739-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 2	Revised 41707-G
Revised 41740-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 3	Revised 41708-G
Revised 41741-G	TABLE OF CONTENTS	Revised 41710-G
Revised 41742-G	TABLE OF CONTENTS	Revised 41711-G
Revised 41743-G	TABLE OF CONTENTS	Revised 41715-G

PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 1

RESIDENTIAL CORE SERVICE

Schedule GR (Includes GR, GR-C, GT-R, GRL and GT-RL Rates)

	Baseline Usage	Non-Baseline Usage	Customer Charge per meter, per day	
GR ^{1/}	102.203¢	120.491¢	16.438¢	
GR-C ^{2/}	102.203¢	120.491¢	16.438¢	I,I
GT-R	28.418¢	46.706¢	16.438¢	
GRL ^{3/}	82.714¢	97.345¢	13.151¢	
GT-RL ^{3/}	22.734¢	37.365¢	13.151¢	

Schedule GS (Includes GS, GS-C, GT-S, GSL,GSL-C and GT-SL Rates)

GS ^{1/}	102.203¢	120.491¢	16.438¢	
GS-C ^{2/}	102.203¢	120.491¢	16.438¢	I,I
GT-S	28.418¢	46.706¢	16.438¢	
GSL ^{3/}	82.714¢	97.345¢	13.151¢	
GSL-C ^{3/}	82.714¢	97.345¢	13.151¢	I,I
GT-SL ^{3/}	22.734¢	37.365¢	13.151¢	

Schedule GM (Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC, and all GMB Rates)

GM-E ^{1/}	102.203¢	120.491¢	16.438¢	
GM-C ^{1/}	N/A	120.491¢	16.438¢	
GM-EC ^{2/}	102.203¢	120.491¢	16.438¢	I,I
GM-CC ^{2/}	N/A	120.491¢	16.438¢	I
GT-ME	28.418¢	46.706¢	16.438¢	
GT-MC	N/A	46.706¢	16.438¢	
GM-BE ^{1/}	94.079¢	102.069¢	\$10.102	
GM-BC ^{1/}	N/A	102.069¢	\$10.102	
GM-BEC ^{2/}	94.079¢	102.069¢	\$10.102	I,I
GM-BCC ^{2/}	N/A	102.069¢	\$10.102	I
GT-MBE	20.294¢	28.284¢	\$10.102	
GT-MBC	N/A	28.284¢	\$10.102	

^{1/} The residential core procurement charge as set forth in Schedule No. G-CP is 73.734¢/therm which includes the core brokerage fee.
^{2/} The residential cross-over rate as set forth in Schedule No. G-CP is 73.734¢/therm which includes the core brokerage fee.
^{3/} The CARE rate reflects a 20% discount on all customer, commodity, and transportation charges.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3722
 DECISION NO.

1H6

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT
 PART II
 SUMMARY OF RATES AND CHARGES

Sheet 2

(Continued)

RESIDENTIAL CORE SERVICE (Continued)

Schedule GML (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates)

	Baseline <u>Usage</u>	Non-Baseline <u>Usage</u>	Customer Charge <u>per meter, per day</u>
GML-E ^{3/}	82.714¢	97.345¢	13.151¢
GML-C ^{3/}	N/A	97.345¢	13.151¢
GML-EC ^{3/}	82.714¢	97.345¢	13.151¢
GML-CC ^{3/}	N/A	97.345¢	13.151¢
GT-MLE ^{3/}	22.734¢	37.365¢	13.151¢
GT-MLC ^{3/}	N/A	37.365¢	13.151¢
GMBL-E ^{3/}	76.215¢	82.607¢	\$8.082
GMBL-C ^{3/}	N/A	82.607¢	\$8.082
GMBL-EC ^{3/}	76.215¢	82.607¢	\$8.082
GMBL-CC ^{3/}	N/A	82.607¢	\$8.082
GT-MBLE ^{3/}	16.235¢	22.627¢	\$8.082
GT-MBLC ^{3/}	N/A	22.627¢	\$8.082

I,I
I

I,I
I

Schedule G-NGVR (Includes G-NGVR, G-NGVRC, GT-NGVR, G-NGVRL and GT-NGVRL Rates)

	All <u>Usage</u>	Customer Charge <u>per meter, per day</u>
G-NGVR ^{1/}	89.291¢	32.877¢
G-NGVRC ^{2/}	89.291¢	32.877¢
GT-NGVR	15.506¢	32.877¢
G-NGVRL ^{3/}	72.385¢	26.301¢
GT-NGVRL ^{3/}	12.405¢	26.301¢

I

^{1/} The residential core procurement charge as set forth in Schedule No. G-CP is 73.734¢/therm which includes the core brokerage fee.
^{2/} The residential cross-over rate as set forth in Schedule No. G-CP is 73.734¢/therm which includes the core brokerage fee.
^{3/} The CARE rate reflects a 20% discount on all customer, commodity, and transportation charges.

I

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 3

(Continued)

NON-RESIDENTIAL CORE SERVICE ^{1/ 2/}

Schedule G-10 ^{3/} (Includes GN-10, GN-10C, GT-10, GN-10V, GN-10VC, GT-10V, and all 10L Rates)

	<u>Tier I</u>	<u>Tier II</u>	<u>Tier III</u>	
GN-10	119.665¢	97.544¢	79.939¢	
GN-10C	119.665¢	97.544¢	79.939¢	I,I,I
GT-10	45.880¢	23.759¢	6.154¢	
GN-10V	119.665¢	94.095¢	79.939¢	
GN-10VC	119.665¢	94.095¢	79.939¢	I,I,I
GT-10V	45.880¢	20.310¢	6.154¢	
GN-10L	96.684¢	78.987¢	64.903¢	
GT-10L	36.704¢	19.007¢	4.923¢	

Customer Charge
 Per meter, per day:

	<u>Customer's Annual Usage</u>		<u>CARE Eligible Customer's Annual Usage</u>	
	<1,000 th/yr	≥1,000 th/yr	<1,000 th/yr	≥1,000 th/yr
All customers except "Space Heating Only"	32.877¢	49.315¢	26.301¢	39.452¢
"Space Heating Only" customers:				
Beginning Dec. 1 through Mar. 31	\$0.99174	\$1.48760	\$0.79339	\$1.19008
Beginning Apr. 1 through Nov. 30	None	None	None	None

^{1/} The non-residential core procurement charge as set forth in Schedule No. G-CP is 73.734¢/therm which includes the core brokerage fee.

^{2/} The non-residential cross over rate as set forth in Schedule No. G-CP is 73.734¢/therm which includes the core brokerage fee.

^{3/} Schedule GL rates are set commensurate with GN-10 rate in Schedule G-10.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 4

(Continued)

NON-RESIDENTIAL CORE SERVICE (Continued) ^{1/ 2/}

Commodity Charge
 (per therm)

Schedule G-AC

G-AC: rate per therm	83.499¢	
G-ACC: rate per therm	83.499¢	I
G-ACL: rate per therm	67.751¢	
Customer Charge: \$150/month		

Schedule G-EN

G-EN: rate per therm	84.135¢	
G-ENC: rate per therm	84.135¢	I
Customer Charge: \$50/month		

Schedule G-NGV

G-NGU: rate per therm	81.668¢	
G-NGUC: rate per therm	81.668¢	I
G-NGU plus G-NGC Compression Surcharge	156.292¢	
G-NGUC plus G-NGC Compression Surcharge	156.292¢	I
P-1 Customer Charge: \$13/month		
P-2A Customer Charge: \$65/month		

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT
 PART II
 SUMMARY OF RATES AND CHARGES

Sheet 7

(Continued)

WHOLESALE SERVICE (Continued)

Schedule GW-VRN (City of Vernon, GT-F10 & GT-I10)

Transmission Charge	2.756¢
ITCS-VRN	(0.033¢)

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm	73.734¢
Non-Residential Cross-Over Rate, per therm	73.734¢
Residential Core Procurement Charge, per therm	73.734¢
Residential Cross-Over Rate, per therm	73.734¢
Adjusted Core Procurement Charge, per therm	72.880¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

December 2006	119.414¢
January 2007	114.576¢
February 2007	TBD*

Noncore Retail Standby (SP-NR)

December 2006	119.479¢
January 2007	114.641¢
February 2007	TBD*

Wholesale Standby (SP-W)

December 2006	119.479¢
January 2007	114.641¢
February 2007	TBD*

*To be determined (TBD). Pursuant to Resolution G-3316, the February Standby Procurement Charge will be filed by separate advice letter at least one day prior to March 25.

Buy-Back Rate

Core and Noncore Retail (BR-R)

December 2006	33.477¢
January 2007	27.094¢
February 2007	34.581¢

Wholesale (BR-W)

December 2006	33.365¢
January 2007	27.003¢
February 2007	34.465¢

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. GR Sheet 1
RESIDENTIAL SERVICE
 (Includes GR, GR-C, GT-R, GRL and GT-RL Rates)

APPLICABILITY

The GR rate is applicable to natural gas procurement service to individually metered residential customers.

The GR-C, cross-over rate, is a core procurement option for individually metered residential core transportation customers with annual consumption over 50,000 therms, as set forth in Special Condition 10.

The GT-R rate is applicable to Core Aggregation Transportation (CAT) service to individually metered residential customers, as set forth in Special Condition 11.

The GRL procurement rate and GT-RL (CAT) rates are applicable to income-qualified households that meet the requirements for the California Alternate Rates for Energy (CARE) as set forth in Schedule G-CARE. The CARE discount of 20% is reflected in the GRL and GT-RL rates shown below. Pursuant to D.05-11-027, as modified by D.06-02-034, benefits from cushion gas withdrawal may be applied in order to keep the CARE commodity rate in any winter month from exceeding 80 cents per therm, provided that all benefits have been applied by March 31, 2008.

TERRITORY

Applicable throughout the service territory.

RATES

	<u>GR</u>	<u>GR-C</u>	<u>GT-R</u>
<u>Customer Charge</u> , per meter per day: ^{1/}	16.438¢	16.438¢	16.438¢

Baseline Rate, per therm (baseline usage defined in Special Conditions 3 and 4):

Procurement Charge: ^{2/}	73.734¢	73.734¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>28.469¢</u>	<u>28.469¢</u>	<u>28.418¢</u>
Total Baseline Charge:	102.203¢	102.203¢	28.418¢

Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: ^{2/}	73.734¢	73.734¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>46.757¢</u>	<u>46.757¢</u>	<u>46.706¢</u>
Total Non-Baseline Charge:	120.491¢	120.491¢	46.706¢

Rates for CARE-Eligible Customers

	<u>GRL</u>	<u>GT-RL</u>
<u>Customer Charge</u> , per meter per day: ^{1/}	13.151¢	13.151¢

^{1/} For "Space Heating Only" customers, a daily Customer Charge of 33.149¢ per day for GR, GR-C and GT-R and 26.519¢ per day for GRL and GT-RL applies during the winter period beginning November 1 through April 30. For the summer period beginning May 1 through October 31, with some exceptions, usage will be accumulated to at least 20 one hundred cubic feet (Ccf) before billing. (Footnotes continue next page.)

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3722
 DECISION NO.

1H6

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. GS Sheet 2
SUBMETERED MULTI-FAMILY SERVICE
 (Includes GS, GS-C, GT-S, GSL, GSL-C and GT-SL Rates)
 (Continued)

RATES (Continued)

	<u>GS</u>	<u>GS-C</u>	<u>GT-S</u>
<u>Baseline Rate, per therm (baseline usage defined in Special Conditions 3 and 4):</u>			
Procurement Charge: ^{2/}	73.734¢	73.734¢	N/A
<u>Transmission Charge:</u> ^{3/}	<u>28.469¢</u>	<u>28.469¢</u>	<u>28.418¢</u>
Total Baseline Charge:	102.203¢	102.203¢	28.418¢

<u>Non-Baseline Rate, per therm (usage in excess of baseline usage):</u>			
Procurement Charge: ^{2/}	73.734¢	73.734¢	N/A
<u>Transmission Charge:</u> ^{3/}	<u>46.757¢</u>	<u>46.757¢</u>	<u>46.706¢</u>
Total Non-Baseline Charge:	120.491¢	120.491¢	46.706¢

	<u>Rates for CARE-Eligible Customers</u>		
	<u>GSL</u>	<u>GSL-C</u>	<u>GT-SL</u>
<u>Customer Charge, per meter per day:</u> ^{1/}	13.151¢	13.151¢	13.151¢

The Transmission Charges for CARE-eligible procurement customers shown below include an additional charge of 0.952 cents per therm to recover the well work costs associated with maintaining the deliverability capability at the Aliso and Goleta storage fields as a result of releasing the cushion gas to CARE procurement customers pursuant to D.05-11-027.

<u>Baseline Rate, per therm (baseline usage defined per Special Conditions 3 and 4):</u>			
Procurement Charge: ^{2/}	58.987¢	58.987¢	N/A
<u>Transmission Charge:</u> ^{3/}	<u>23.727¢</u>	<u>23.727¢</u>	<u>22.734¢</u>
Total Baseline Charge:	82.714¢	82.714¢	22.734¢

<u>Non-Baseline Rate, per therm (usage in excess of baseline usage):</u>			
Procurement Charge: ^{2/}	58.987¢	58.987¢	N/A
<u>Transmission Charge:</u> ^{3/}	<u>38.358¢</u>	<u>38.358¢</u>	<u>37.365¢</u>
Total Non-Baseline Charge:	97.345¢	97.345¢	37.365¢

^{2/} This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 8.

^{3/} This charge for GS and GS-C customers is equal to the GT-S Transmission Charge and the procurement carrying cost of storage inventory charge.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. GM
MULTI-FAMILY SERVICE

Sheet 2

(Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC and all GMB Rates)

(Continued)

RATES

	<u>GM/GT-M</u>	<u>GMB/GT-MB</u>
Customer Charge, per meter, per day:	16.438¢ ^{1/}	\$10.102

GM

	<u>GM-E</u>	<u>GM-EC</u> ^{4/}	<u>GT-ME</u>
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):			
Procurement Charge: ^{2/}	73.734¢	73.734¢	N/A
Transmission Charge: ^{3/}	28.469¢	28.469¢	28.418¢
Total Baseline Charge (all usage):	102.203¢	102.203¢	28.418¢

<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: ^{2/}	73.734¢	73.734¢	N/A
Transmission Charge: ^{3/}	46.757¢	46.757¢	46.706¢
Total Non Baseline Charge (all usage):.....	120.491¢	120.491¢	46.706¢

	<u>GM-C</u>	<u>GM-CC</u> ^{4/}	<u>GT-MC</u>
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: ^{2/}	73.734¢	73.734¢	N/A
Transmission Charge: ^{3/}	46.757¢	46.757¢	46.706¢
Total Non Baseline Charge (all usage):.....	120.491¢	120.491¢	46.706¢

^{1/} For "Space Heating Only" customers, a daily Customer Charge of 33.149¢ per day for GM and GT-M applies during the winter period beginning November 1 through April 30. For the summer period beginning May 1 through October 31, with some exceptions, usage will be accumulated to at least 20 one hundred cubic feet (Ccf) before billing.

^{2/} This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 7.

^{3/} This charge for GM-E, GM-EC, GM-BE, GM-BEC, GM-C, GM-CC, GM-BC and GM-BCC customers is equal to the GT-R Transmission Charge and the procurement carrying cost of storage inventory charge.

^{4/} These Cross-Over Rate charges will be applicable for only the first 12 months of service for residential core transportation customers who consumed over 50,000 therms: (1) in the last 12 months and who have transferred from procuring their gas commodity from an Energy Service Provider (ESP) to utility procurement unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California; and (2) who return to core procurement service for up to 90 days while deciding whether to switch to a different ESP.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3722
 DECISION NO.

2H6

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. GM
MULTI-FAMILY SERVICE

Sheet 3

(Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC and all GMB Rates)

(Continued)

RATES (Continued)

GMB

	<u>GM-BE</u>	<u>GM-BEC</u> ^{4/}	<u>GT-MBE</u>
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):			
Procurement Charge: ^{2/}	73.734¢	73.734¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>20.345¢</u>	<u>20.345¢</u>	<u>20.294¢</u>
Total Baseline Charge (all usage):.....	94.079¢	94.079¢	20.294¢
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: ^{2/}	73.734¢	73.734¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>28.335¢</u>	<u>28.335¢</u>	<u>28.284¢</u>
Total Non-Baseline Charge (all usage):	102.069¢	102.069¢	28.284¢
	<u>GM-BC</u>	<u>GM-BCC</u> ^{4/}	<u>GT-MBC</u>
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: ^{2/}	73.734¢	73.734¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>28.335¢</u>	<u>28.335¢</u>	<u>28.284¢</u>
Total Non Baseline Charge (all usage):.....	102.069¢	102.069¢	28.284¢

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise fees or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. G-NGVR

Sheet 1

NATURAL GAS SERVICE FOR HOME REFUELING OF MOTOR VEHICLES
 (Includes G-NGVR, G-NGVRC, GT-NGVR, G-NGVRL and GT-NGVRL Rates)

APPLICABILITY

The G-NGVR rate is applicable to natural gas procurement service to individually metered residential customers who have an installed natural gas vehicle (NGV) home refueling appliance, as set forth in Special Conditions 3 and 5.

The G-NGVRC, cross-over rate, is a core procurement option for individually metered residential core transportation customers with annual consumption over 50,000 therms, as set forth in Special Condition 10.

The GT-NGVR rate is applicable to Core Aggregation Transportation (CAT) service to individually metered residential customers, as set forth in Special Condition 11.

The G-NGVRL procurement rate and GT-NGVRL (CAT) rates are applicable to income-qualified households that meet the requirements for the California Alternate Rates for Energy (CARE) Program as set forth in Schedule No. G-CARE. The CARE discount of 20% is reflected in the G-NGVRL and GT-NGVRL rates shown below. Pursuant to D.05-11-027, as modified by D.06-02-034, benefits from cushion gas withdrawal may be applied in order to keep the CARE commodity rate in any winter month from exceeding 80 cents per therm, provided that all benefits have been applied by March 31, 2008.

TERRITORY

Applicable throughout the service territory.

RATES

	<u>G-NGVR</u>	<u>G-NGVRC</u>	<u>GT-NGVR</u>
<u>Customer Charge</u> , per meter per day	32.877¢	32.877¢	32.877¢
<u>Rate</u> , per therm			
Procurement Charge ^{1/}	73.734¢	73.734¢	N/A
<u>Transmission Charge</u> ^{2/}	<u>15.557¢</u>	<u>15.557¢</u>	<u>15.506¢</u>
Commodity Charge	89.291¢	89.291¢	15.506¢

^{1/} This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 7.

^{2/} This charge for G-NGVR and G-NGVRC customers is equal to the GT-NGVR Transmission Charge plus the procurement carrying cost of storage inventory charge.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. G-10

Sheet 2

CORE COMMERCIAL AND INDUSTRIAL SERVICE
 (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates)

(Continued)

RATES (Continued)

All Procurement, Transmission, and Commodity Charges are billed per therm.

		<u>Tier I</u> ^{2/}	<u>Tier II</u> ^{2/}	<u>Tier III</u> ^{2/}
<u>GN-10:</u>	Applicable to natural gas procurement service to non-residential core customers, including service not provided under any other rate schedule.			
	Procurement Charge: ^{3/} G-CPNR	73.734¢	73.734¢	73.734¢
	<u>Transmission Charge:</u> ^{4/} GPT-10	45.931¢	23.810¢	6.205¢
	Commodity Charge: GN-10	119.665¢	97.544¢	79.939¢

GN-10C: Core procurement service for previous non-residential transportation-only customers returning to core procurement service, including CAT customers with annual consumption over 50,000 therms, as further defined in Schedule No. G-CP.

	Procurement Charge: ^{3/} G-CPNRC	73.734¢	73.734¢	73.734¢	I,I,I
	<u>Transmission Charge:</u> ^{4/} GPT-10	45.931¢	23.810¢	6.205¢	
	Commodity Charge: GN-10C	119.665¢	97.544¢	79.939¢	I,I,I

GT-10: Applicable to non-residential transportation-only service including CAT service, as set forth in Special Condition 13.

	Transmission Charge: GT-10	45.880¢ ^{5/}	23.759¢ ^{5/}	6.154¢ ^{5/}
--	----------------------------------	-----------------------	-----------------------	----------------------

^{2/} Tier I rates are applicable for the first 100 therms used during summer months and the first 250 therms used during winter months. Tier II rates are applicable for usage above Tier I quantities and up through 4,167 therms per month. Tier III rates are applicable for all usage above 4,167 therms per month. Under this schedule, the winter season shall be defined as December 1 through March 31 and the summer season as April 1 through November 30.

^{3/} This charge is applicable for service to Utility Procurement Customers as shown in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly, as set forth in Special Condition 5.

^{4/} This charge for GN-10, GN-10C, GN-10V, GN-10VC and GN-10L customers is equal to the GT-10 Transmission Charge and the procurement carrying cost of storage inventory charge.

(Footnotes continue next page.)

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. G-10

Sheet 3

CORE COMMERCIAL AND INDUSTRIAL SERVICE
 (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates)

(Continued)

RATES (Continued)

City of Vernon

		<u>Tier I^{2/}</u>	<u>Tier II^{2/}</u>	<u>Tier III^{2/}</u>	
<u>GN-10V:</u>	Applicable to natural gas procurement service to non-residential core customers located in the City of Vernon, as defined in Special Condition 11.				
	Procurement Charge: ^{3/} G-CPNR	73.734¢	73.734¢	73.734¢	
	<u>Transmission Charge:</u> ^{4/} GPT-10V	<u>45.931¢</u>	<u>20.361¢</u>	<u>6.205¢</u>	
	Commodity Charge: GN-10V	119.665¢	94.095¢	79.939¢	
<u>GN-10VC:</u>	Core procurement service for previous non-residential transportation-only customers returning to utility procurement service located in the City of Vernon, including CAT customers with annual consumption over 50,000 therms, as further defined in Schedule No. G-CP.				
	Procurement Charge: ^{3/} G-CPNRC	73.734¢	73.734¢	73.734¢	I,I,I
	<u>Transmission Charge:</u> ^{4/} GPT-10V	<u>45.931¢</u>	<u>20.361¢</u>	<u>6.205¢</u>	
	Commodity Charge: GN-10VC	119.665¢	94.095¢	79.939¢	I,I,I
<u>GT-10V:</u>	Applicable to non-residential transportation-only and CAT customers located in the City of Vernon as set forth in Special Conditions 11 and 13.				
	Transmission Charge: GT-10V	45.880¢ ^{6/}	20.310¢ ^{6/}	6.154¢ ^{6/}	

(Footnotes continued from previous page.)

^{5/} These charges are equal to the core commodity rate less the following three components as approved in D.97-04-082: (1) the weighted average cost of gas; (2) the core brokerage fee; and (3) the procurement carrying cost of storage inventory.

^{6/} These charges are equal to the core commodity rate less the following four components as approved in D.97-04-082: (1) the weighted average cost of gas; (2) the core brokerage fee; (3) the procurement carrying cost of storage inventory; and (4) an amount to implement the SoCalGas-Vernon Stipulation and Settlement Agreement approved by D.96-09-104. This charge includes the El Paso Settlement proceeds refund pursuant to D.03-10-087 and approved by Advice No. 3416.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. G-AC
CORE AIR CONDITIONING SERVICE
FOR COMMERCIAL AND INDUSTRIAL

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges

G-AC

This charge is for service as defined above and consists of: (1) the monthly non-residential procurement charge as set forth in Schedule No. G-CP; (2) the GT-AC transmission charge, as set forth in Schedule No. GT-AC; and (3) the procurement carrying cost of storage inventory charge.

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 10.

Rate, per therm.

Procurement Charge:	G-CPNR	73.734¢
<u>Transmission Charge:</u>	<u>GPT-AC</u>	<u>9.765¢</u>
Commodity Charge:	G-AC	83.499¢

G-ACC

This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-AC transmission charge, as set forth in Schedule No. GT-AC; and (3) the procurement carrying cost of storage inventory charge.

Rate, per therm.

Procurement Charge:	G-CPNRC	73.734¢
<u>Transmission Charge:</u>	<u>GPT-AC</u>	<u>9.765¢</u>
Commodity Charge:	G-ACC	83.499¢

I
I

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. G-EN
CORE GAS ENGINE SERVICE
FOR WATER PUMPING

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges (Continued)

G-EN (Continued)

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 6.

Rate, per therm

Procurement Charge:	G-CPNR	73.734¢
<u>Transmission Charge:</u>	<u>GPT-EN</u>	<u>10.401¢</u>
Commodity Charge:	G-EN	84.135¢

G-ENC

This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-EN transmission charge, as set forth in Schedule No. GT-EN; and (3) the procurement carrying cost of storage inventory charge.

Procurement Charge:	G-CPNRC	73.734¢
<u>Transmission Charge:</u>	<u>GPT-EN</u>	<u>10.401¢</u>
Commodity Charge:	G-ENC	84.135¢

Minimum Charge

The minimum monthly charge shall consist of the Monthly Customer Charge.

The number of therms to be billed shall be determined in accordance with Rule No. 2.

(Continued)

Schedule No. G-NGV
NATURAL GAS SERVICE FOR MOTOR VEHICLES

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges (Continued)

Customer-Funded Fueling Station (Continued)

G-NGU (Continued)

Rate, uncompressed per therm.

Procurement Charge:	G-CPNR	73.734¢
<u>Transmission Charge:</u>	<u>GPT-NGU</u>	<u>7.934¢</u>
Commodity Charge:	G-NGU	81.668¢

G-NGUC

This charge will be applicable for the first 12 months of service for core transportation customers with qualifying load who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California. This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-NGU transmission charge, as set forth in Schedule No. GT-NGV; and (3) the procurement carrying cost of storage inventory charge.

Rate, uncompressed per therm.

Procurement Charge:	G-CPNRC	73.734¢
<u>Transmission Charge:</u>	<u>GPT-NGU</u>	<u>7.934¢</u>
Commodity Charge:	G-NGUC	81.668¢

Utility-Funded Fueling Station

G-NGC Compression Surcharge per therm 74.624¢

The G-NGC Compression Surcharge will be added to the G-NGU Uncompressed rate per therm, or the G-NGUC Uncompressed rate per therm as applicable, as indicated in the Customer-Funded Fueling Station section above. The resultant total compressed rate is:

G-NGU plus G-NGC, compressed per therm	156.292¢
G-NGUC plus G-NGC, compressed per therm	156.292¢

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.
 2H6

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 2

(Continued)

RATES (Continued)

G-CPNR (Continued)

Cost of Gas, per therm	73.533¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	73.734¢

G-CPNRC

This is the non-residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPNR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

Cost of Gas, (1) and (2) above, per therm	73.533¢	I
Brokerage Fee, per therm	<u>0.201¢</u>	
Total Core Procurement Charge, per therm	73.734¢	I

G-CPR

This charge is for residential service. Pursuant to D.96-08-037, Utility was authorized to change the residential gas procurement charge monthly concurrent with its implementation of the 1996 BCAP Decision (D.97-04-082).

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 3

(Continued)

RATES (Continued)

G-CPR (Continued)

The monthly residential gas procurement charge is comprised of: (1) the weighted average cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, including reservation charges associated with interstate pipeline capacity contracts entered into by the Utility pursuant to D.04-09-022 and D.02-06-023; (2) authorized franchise fees and uncollectible expenses; (3) authorized core brokerage fee; (4) any adjustments for over- or under- collection imbalance in the Core Purchased Gas Account (CPGA) imbalance band as defined and approved in D.98-07-068; and (5) an adjustment for the Gas Cost Incentive Mechanism (GCIM) reward/penalty pursuant to D.02-06-023. The CPGA component is an adder in the case of an under-collection and a subtracter in the case of an over-collection.

Cost of Gas, per therm	73.533¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	73.734¢

G-CPRC

This is the residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months for: (1) residential core transportation customers who consumed over 50,000 therms in the last 12 months and who transfer to utility procurement, or (2) residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

Cost of Gas, (1) and (2) above, per therm	73.533¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	73.734¢

The Border Price will be posted on the Utility's Internet web site at <http://www.socalgas.com>.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 3722
 DECISION NO.
 346

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. GML

Sheet 2

MULTI-FAMILY SERVICE, INCOME QUALIFIED
 (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates)

(Continued)

RATES

The individual unit Baseline therm allocation shall be multiplied by the number of qualified residential units.

	<u>GML/GT-ML</u>	<u>GMBL/GT-MBL</u>
<u>Customer Charge</u> , per meter, per day:	13.151¢ ^{1/}	\$8.082

The Transmission Charges for CARE-eligible procurement customers shown below include an additional charge of 0.952 cents per therm to recover the well work costs associated with maintaining the deliverability capability at the Aliso and Goleta storage fields as a result of releasing the cushion gas to CARE procurement customers pursuant to D.05-11-027.

GML

	<u>GML-E</u>	<u>GML-EC</u>	<u>GT-MLE</u>
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):			
Procurement Charge: ^{2/}	58.987¢	58.987¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>23.727¢</u>	<u>23.727¢</u>	<u>22.734¢</u>
Total Baseline Charge (all usage):	82.714¢	82.714¢	22.734¢

Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: ^{2/}	58.987¢	58.987¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>38.358¢</u>	<u>38.358¢</u>	<u>37.365¢</u>
Total Non Baseline Charge (all usage):.....	97.345¢	97.345¢	37.365¢

	<u>GML-C</u>	<u>GML-CC</u>	<u>GT-MLC</u>
--	--------------	---------------	---------------

Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: ^{2/}	58.987¢	58.987¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>38.358¢</u>	<u>38.358¢</u>	<u>37.365¢</u>
Total Non Baseline Charge (all usage):.....	97.345¢	97.345¢	37.365¢

^{1/} For "Space Heating Only" customers, a daily Customer Charge of 26.519¢ per day applies during the winter period beginning November 1 through April 30. For the summer period beginning May 1 through October 31, with some exceptions, usage will be accumulated to at least 20 one hundred cubic feet (Ccf) before billing.

^{2/} This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 7. (Footnotes continued on next page.)

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

Schedule No. GML

Sheet 3

MULTI-FAMILY SERVICE, INCOME QUALIFIED
 (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates)

(Continued)

RATES (Continued)

GMBL

	<u>GMBL-E</u>	<u>GMBL-EC</u>	<u>GT-MBLE</u>
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):			
Procurement Charge: ^{2/}	58.987¢	58.987¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>17.228¢</u>	<u>17.228¢</u>	<u>16.235¢</u>
Total Baseline Charge (all usage):.....	76.215¢	76.215¢	16.235¢

Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: ^{2/}	58.987¢	58.987¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>23.620¢</u>	<u>23.620¢</u>	<u>22.627¢</u>
Total Non-Baseline Charge (all usage):	82.607¢	82.607¢	22.627¢

	<u>GMBL-C</u>	<u>GMBL-CC</u>	<u>GT-MBLC</u>
--	---------------	----------------	----------------

Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: ^{2/}	58.987¢	58.987¢	N/A
<u>Transmission Charge</u> : ^{3/}	<u>23.620¢</u>	<u>23.620¢</u>	<u>22.627¢</u>
Total Non Baseline Charge (all usage):.....	82.607¢	82.607¢	22.627¢

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, Franchise Fees or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

(Footnotes continued from previous page.)

^{3/} This charge for GML-E, GML-EC, GMBL-E, GMBL-EC, GML-C, GML-CC, GMBL-C and GMBL-CC customers is equal to the GT-ML Transmission Charge and the procurement carrying cost of storage inventory charge.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

TABLE OF CONTENTS

(Continued)

<u>Schedule Number</u>	<u>Title of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>	
GR	Residential Service (Includes GR, GR-C, GRL, GT-R and GT-RL Rates)	41727-G,41688-G,41209-G,39255-G,39144-G	T
GS	Submetered Multi-Family Service (Includes GS, GS-C, GT-S, GSL, GSL-C and GT-SL Rates)	40471-G,41728-G,41211-G,41212-G 41213-G,41214-G	T
GM	Multi-Family Service (Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC and all GMB Rates)	41011-G,41729-G,41730-G,41014-G 41015-G,41016-G,41017-G,41018-G	T
GML	Multi-Family Service, Income Qualified.....	40239-G,41731-G,41732-G 41217-G,41218-G,40244-G,40245-G	T
G-CARE	California Alternate Rates for Energy (CARE) Program	39257-G,40550-G 40551-G,40398-G,40399-G,40400-G,40401-G	
GO-SSA	Summer Saver Optional Rate for Owners of Existing Gas Equipment	41370-G,41694-G,37655-G,37656-G,31253-G	
GTO-SSA	Transportation-Only Summer Saver Optional Rate for Owners of Existing Gas Equipment	38243-G,41372-G,37657-G,36806-G,31258-G	
GO-SSB	SummerSaver Optional Rate for Customers Purchasing New or Repairing Inoperable Equip.	41373-G,41695-G,37658-G,37659-G,31263-G	
GTO-SSB	Transportation-Only SummerSaver Optional Rate for Customers Purchasing New or Repairing Inoperable Equip.	41375-G,41376-G,37661-G,31583-G,31268-G	
GO-AC	Optional Rate for Customers Purchasing New Gas Air Conditioning Equipment (Includes GO-AC and GTO-AC Rates)	41696-G,41378-G 40644-G,40645-G,40646-G	
G-NGVR	Natural Gas Service for Home Refueling of Motor Vehicles (Includes G-NGVR, G-NGVRC, GT-NGVR, G-NGVRL and GT-NGVRL Rates)	41733-G,41698-G,41220-G,41221-G	T

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

TABLE OF CONTENTS

(Continued)

GL	Street and Outdoor Lighting Natural Gas Service	41699-G,31022-G	
G-10	Core Commercial and Industrial Service (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates)	41070-G,41734-G,41735-G,41702-G 41074-G,41075-G,41076-G,41246-G	T
G-AC	Core Air Conditioning Service for Commercial and Industrial	36674-G,41736-G,41704-G,41224-G,41225-G,36679-G 40556-G,41247-G	T
GT-AC	Core Transportation-only Air Conditioning Service for Commercial and Industrial	36682-G,41387-G,36683-G,36684-G 40557-G,39809-G,37929-G,41248-G	
G-EN	Core Gas Engine Service for Agricultural Water Pumping	41388-G,41737-G,37931-G,41249-G	T
GT-EN	Core Transportation-only Gas Engine Service for Agricultural Water Pumping	41390-G,36694-G,41250-G	
G-NGV	Natural Gas Service for Motor Vehicles	39643-G,41738-G,39148-G,36698-G	T
GT-NGV	Transportation of Customer-Owned Gas for Motor Vehicle Service	41392-G,41393-G,39149-G,36813-G	
GO-ET	Emerging Technologies Optional Rate for Core Commercial and Industrial	30200-G,39647-G,30202-G	
GTO-ET	Transportation-Only Emerging Technologies Optional Rate for Core Commercial and Industrial	30203-G,39648-G,30205-G	
GO-IR	Incremental Rate for Existing Equipment for Core Commercial and Industrial	30206-G,39649-G,30208-G	
GTO-IR	Transportation-Only Incremental Rate for Existing Equipment for Core Commercial and Industrial	30209-G,39650-G,30211-G	
G-CP	Core Procurement Service	39578-G,41739-G,41740-G,41709-G,37933-G	T
GT-F	Firm Intrastate Transmission Service	41394-G,41395-G,36705-G,40458-G 32664-G,32665-G,34838-G,41251-G 41716-G,41253-G,41254-G,41255-G,41256-G	
GT-I	Interruptible Intrastate Transmission Service	41396-G,41397-G,32670-G 40459-G,34839-G,36527-G	

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.
 2H8

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

TABLE OF CONTENTS

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

GENERAL

Cal. P.U.C. Sheet No.

Title Page	40864-G	
Table of Contents--General and Preliminary Statement	41743-G,41160-G,41416-G	T
Table of Contents--Service Area Maps and Descriptions	40434-G	
Table of Contents--Rate Schedules	41741-G,41742-G,41746-G	T
Table of Contents--List of Cities and Communities Served	40149.1-G	
Table of Contents--List of Contracts and Deviations	40149.1-G	
Table of Contents--Rules	41265-G,41157-G	
Table of Contents--Sample Forms	41661-G,39748-G,41266-G,41158-G,40128-G	

PRELIMINARY STATEMENT

Part I General Service Information	37917-G,24332-G,24333-G,24334-G,24749-G	
Part II Summary of Rates and Charges	41722-G,41723-G,41724-G,41725-G,41354-G,41355-G 41726-G,40232-G,40233-G,41161-G,41685-G,41686-G,41359-G,41360-G	T T
Part III Cost Allocation and Revenue Requirement	27024-G,37920-G,27026-G,27027-G,41361-G	
Part IV Income Tax Component of Contributions and Advances	36614-G,24354-G	
Part V Balancing Accounts		
Description and Listing of Balancing Accounts	40865-G	
Purchased Gas Account (PGA)	40866-G,40867-G	
Core Fixed Cost Account (CFCA)	41658-G	
Noncore Fixed Cost Account (NFCA)	41659-G	
Enhanced Oil Recovery Account (EORA)	40870-G	
Noncore Storage Balancing Account (NSBA)	40871-G	
California Alternate Rates for Energy Account (CAREA)	40872-G,40873-G	
Brokerage Fee Account (BFA)	40874-G	
Hazardous Substance Cost Recovery Account (HSCRA)	40875-G, 40876-G,40877-G	
Natural Gas Vehicle Account (NGVA)	40878-G,40879-G	
El Paso Turned-Back Capacity Balancing Account (EPTCBA)	40880-G	
Gas Cost Rewards and Penalties Account (GCRPA)	40881-G	
Pension Balancing Account (PBA)	40882-G,40883-G	

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3722
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 7, 2007
 EFFECTIVE Mar 10, 2007
 RESOLUTION NO. G-3351

ATTACHMENT C

ADVICE NO. 3722

**G-CPNRC & G-CPRC RATE CALCULATION WORKPAPER
SCHEDULE NO. G-CP CROSS-OVER RATE FILING
EFFECTIVE MARCH 10, 2007**

Border Price Index (BPI)

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence (NGI) and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week (NGW)

March 2007 NGI's Price Index (NGIPI) = \$0.70900 per therm

March 2007 NGW's Price Index (NGWPI) = \$0.70700 per therm

**Border Price Index (BPI) = (NGIPI + NGWPI) / 2
BPI = \$0.70800 per therm**

Adjusted Border Price Index (ABPI)

**Remove Core Pipeline Demand Costs from BPI
ABPI = \$0.70800 - \$0.00013 = \$0.70787 per therm**

Core Procurement Cost of Gas (CPC)

3/1/07 G-CPNR & G-CPR Cost of Gas (without Brokerage Fee) = \$0.73533

Adjusted Core Procurement Cost of Gas (ACPC)

**Remove 1.9187% Franchise Fee and Uncollectibles (FF&U)
ACPC = \$0.73533 / 1.019187 = \$0.72149 per therm**

G-CPNRC & G-CPRC Cross-Over Rate Calculation:

Higher of ACPC or ABPI = ACPC = \$0.72149

**Include 1.9187% Franchise Fee and Uncollectibles (FF&U)
G-CPNRC & G-CPRC Cost of Gas = \$0.72149 * 1.019187 = \$0.73533 per therm**